

Redevelopment of St. Lawrence Market North – Status Update

Date:	May 25, 2016
To:	Government Management Committee
From:	Chief Corporate Officer
Wards:	Ward 28 – Toronto-Centre Rosedale
Reference Number:	P:\2016\Internal Services\FAC\Gm16018fac (AFS # 22181)

SUMMARY

The purpose of this report is to provide an update on the St. Lawrence Market North Redevelopment project.

RECOMMENDATIONS

The Chief Corporate Officer recommends that:

1. The Government Management Committee receives this report for information.

Financial Impact

Funding for the St. Lawrence Market North Redevelopment Project is available in the approved 2016 capital budget and 2017 to 2025 capital plan for Facilities, Real Estate, and Environment & Energy. Total project cost is \$91.458 million and the funding sources are outlined in the Table 1 below.

Table 1 - St. Lawrence Market North Redevelopment Funding Sources (\$ millions)	
Recoverable Debt	39.7
Contribution from Toronto Parking Authority for Underground Garage	14.0
Toronto Parking Authority - Yorkville Garage Joint Venture	15.0
Court Services Stabilization Reserve	4.4
Development Charges	5.0
Section 37/42/45	3.0
Debt Funding	10.4
Total:	91.5

Future cash flows based on current estimates, and a comparison to the current approved plan, is outlined in table 2 below:

Table 2 – St. Lawrence Market North Redevelopment Cash Flow Estimate and Plan (\$ millions)					
	Life to Date Spent (As of Dec 31, 2015)	2016	2017	2018	Total
Current Estimates	8.343	3.500	32.763	46.852	91.458
Approved Plan	8.343	14.169	22.094	46.852	91.458
Variance	-	(10.669)	10.669	-	-

Year to date spending (as of April 22, 2016) is -\$0.759 million. The negative spending is due to the reversal of prior year accruals for costs that are not yet paid. It is estimated that only \$3.5000 million or 25.0% of the 2016 approved cash flow of \$14.169 million will be spent by year-end. Lower than 2016 plan spending is primarily a result of the lengthy four-stage archeological remediation process due to the archeological findings at the project site location. Any unspent cash flow will be carried forward to future years for FM&RE staff to continue the delivery of the project.

The annual cash flow estimates outlined in Table 2 are updated figures and do not align with cash flow estimates approved by Council through the 2016 budget process. The updated cash flows are included in the 2017-2026 Capital Budget and Plan for City Council consideration as part of the 2017 budget process to ensure they align with the latest forecasts.

The Deputy City Manager & Chief Financial Officer has reviewed this report and agrees with the financial impact information.

DECISION HISTORY

The current St. Lawrence Market North initiative has been ongoing since 2002 to maximize the site's full potential and improve the St. Lawrence Market complex. At its meeting on July 30, 31 and August 1, 2002, City Council approved, in principal, the concept of redeveloping the St. Lawrence Market North Building and directed City staff to study redevelopment options. The 2002 Council report, which includes a detailed history of the St. Lawrence Market complex, can be found through the following hyperlink:

<http://www.toronto.ca/legdocs/2002/agendas/council/cc020730/adm10rpt/cl014.pdf>

At its meeting on June 24, 25 and 26, 2003 City Council established the St. Lawrence Market North Working Committee to determine planning and design guidelines for the redevelopment, as well as consultations with various stakeholders. The report can be found through the following hyperlink:

<http://www.toronto.ca/legdocs/2003/agendas/council/cc030624/adm5rpt/cl024.pdf>

At its meeting on October 26, 27 and 28, 2004, City Council adopted development parameters for St. Lawrence Market North and endorsed a strategic vision statement for the St. Lawrence Market complex. The report can be found through the following hyperlink:

<http://www.toronto.ca/legdocs/2004/agendas/council/cc041026/adm8rpt/cl007.pdf>

At its meeting on June 27, 28, 29 2006, City Council directed City staff to investigate a number of technical matters with the redevelopment, including parking access/accommodations and Court Services as a primary tenant. The report can be found through the following hyperlink:

<http://www.toronto.ca/legdocs/2006/agendas/committees/adm/adm060606/it020.pdf>

At its meeting on September 25, 26, 27 2006, City Council directed City staff to provide a business plan for the redevelopment of the North Market building. The report can be found through the following hyperlink:

<http://www.toronto.ca/legdocs/2006/agendas/council/cc060925/adm6rpt/cl022.pdf>

At its meeting on December 10, 2008, City Council endorsed the strategy to redevelop the St. Lawrence Market North property with a multi-story building, including a ground floor Market Hall, Court Services' court rooms and administrative offices, and a 250-space below grade parking garage. The decision also authorized a design competition to select an architect for the redevelopment. The report can be found through the following hyperlink:

<http://www.toronto.ca/legdocs/mmis/2008/bu/bgrd/backgroundfile-17440.pdf>

At its meeting on July 6, 7, 8, 2010, City Council endorsed the winning design from the St. Lawrence Market North Design Competition and authorized City staff to enter into an agreement with the successful proponent for the provision of architectural services for the new St. Lawrence Market North Building. The report can be found through the following hyperlink:

<http://www.toronto.ca/legdocs/mmis/2010/ex/bgrd/backgroundfile-31365.pdf>

At its meeting on July 16, 17, 18 and 19, 2013, City Council adopted a revised financing plan, including additional funding of \$15.293 million, and directed staff to proceed with the Design Development and Bid Document stages for the new St. Lawrence Market North Building. The report can be found through the following hyperlink:

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2013.GM23.6>

At its meeting on February 3 and 4, 2016, City Council directed staff to proceed with Phase 2, Demolition of the existing North Market Building at 92 Front Street, of the Redevelopment of St. Lawrence Market North project, including demolition of the existing building and archaeological assessment of the site in advance of new construction. The report can be found through the following hyperlink:

<http://www.toronto.ca/legdocs/mmis/2016/gm/bgrd/backgroundfile-86763.pdf>

ISSUE BACKGROUND

The current North Market Design includes:

New St. Lawrence Market Facility	
Below Grade	250 parking spaces (operated by TPA)
Floor 1 - Market Hall	Farmers Market, Commercial Events, Retail Café
Floor 2 - Mezzanine	Hospitality Use, Kitchen Incubators, Court Services Administrative Offices, Seniors Centre
Floor 3	Court Services Head Office, Operations and Administrative Offices and Police Services
Floor 4	JP offices, City and Provincial Prosecutions Offices, and 5 courtrooms
Floor 5	9 Courtrooms
All	5 Storey Atrium

The total project cost based on the Architect's latest design submission is \$91.458 million, as approved by City Council at its meeting in July 2013. City Council directed staff to authorize the continuation of the design work by the Architect in order to complete the Design Development and Bid Document Stages for the Project.

The Project is being implemented in 3 major phases;

- Phase 1) Design and construction of a Temporary Market Building at 125 The Esplanade and client relocation.
- Phase 2) Demolition of the existing North Market Building at 92 Front St. including archeological assessment and environmental remediation of the site in advance of new construction.
- Phase 3) Design and Construction of New North Market Building.

As these phases are interdependent they are being implemented sequentially and funded within the current Project Budget of \$91.5M. The consulting team, selected through a design competition, is led by Adamson Associates Architects of Toronto, in association with Rogers Stirk Harbour + Partners of London, England.

The St. Lawrence Market Complex has served as a City landmark for over 200 years and remains as one of the most valuable historical sites in Toronto. The site archaeological assessment process involves 4 stages, namely Stage 1: Background Study, Stage 2: Property Assessment, Stage 3: Site Specific Assessment, and Stage 4: Mitigation.

COMMENTS

Current Status

- Phase 1) Design and construction of the Temporary Market Building at 125 The Esplanade, and client relocation, was completed in June 2015.
- Phase 2) Demolition of the existing North Market Building at 92 Front St., including archeological assessment and environmental remediation of the site in advance of new construction, is currently underway.

The Stage 1 archaeological assessment of the existing North Market Building site at 92 Front Street revealed that the St. Lawrence Market North property has been the home to a market and market activities since at least 1803. The first permanent brick market building was erected on this site in 1831. The north end of the structure served as the Town Hall, and after 1834, the City Hall. The building was subsequently destroyed by the 1849 Toronto fire and replaced with new buildings in 1851, 1904 and the current north market building in 1968.

A Stage 2/3 archaeological assessment of the site was conducted by Golder Associates Ltd. in September 2015. Archaeological evidence for all phases of occupation of the Market has been recovered including foundation piers and a large arched flagstone sewer from the 1831 building, and the original pre-development ground surface preserved within the interior courtyard of the 1831 building.

In addition, environmental soils sampling conducted during the archaeological fieldwork revealed that soil under approximately 60% of the building is contaminated to a depth of approximately 1.4 m.

The construction tender call for demolition of the existing North Market building, including archaeological assessment and environmental remediation of the site, closed May 02, 2016. Schedule milestones as they stand now, subject to the duration of archaeological assessment is as follows;

Phase 2) Demolition, including site archaeology

- Building Demolition and Site Archaeology contract awards, Q2, 2016
 - Building Demolition Q3, 2016
 - Archaeology contract completion, Q4, 2016
- (Subject to confirmation by Contractor and extent of archaeology)

Phase 3) Design and Construction of New North Market Building

- Construction Tender Call, Q4, 2016
 - (Subject to extent of site archaeology)
 - Construction Contract Award, Q1, 2017
 - Construction Completion, Q4, 2018
- (Subject to confirmation by contractor)

Schedule Risks

Archaeological assessment continues to be a major risk to the overall project schedule with delays experienced during both the temporary and permanent market building phases.

The authorities having jurisdiction have advised that no new construction can take place until all archaeological approval requirements have been satisfied. This scope of work includes the requirement that the existing North Market building be demolished to allow full site access before Stage 4 archaeological fieldwork can safely occur.

The City's Archaeology Consultant has advised that this could result in project delay of 6 to 12 months depending on the extent and significance of further archaeological findings.

A construction start date for the new building can therefore not be confirmed until all regulatory approval requirements to obtain a building permit are satisfied.

CONCLUSION

Archaeological assessment continues to be a major risk to the overall project schedule.

The Bid Document Stage for the new SLMN Building is ongoing. Staff will be in a position to issue a Tender Call for the construction of the new building in Q4 2016 subject to the duration of Stage 4 Archaeological Assessment.

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SIGNATURE

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